12/31/86 A0400-

The Aluminum Situation

Department of Economics and Statistics **December 1986**

Shipments Down 0.4 Percent

Total industry net shipments for ten months of 1986, at an estimated 12,945 million pounds, were down 0.4 percent from the first ten months of 1985 total of 12,991 million pounds.

Domestic shipments of 12,200 million pounds were up 2.3 percent from the 1985 ten month total of 11,922 million pounds.

Imports of ingot and mill products were up 40.3 percent and exports were down 22.3 percent.

Thru October 1986

	10 Mos. 1986	10 Mos. 1985	% Change
Mill Products	10,497	10,104	+ 3.9%
Ingot	2,448	2,887	-15.2%
Total	12,945	12,991	- 0.4%
Less Exports	-745	-1,069	-30.3%
Domestic Total	12,200	11,922	+ 2.3%

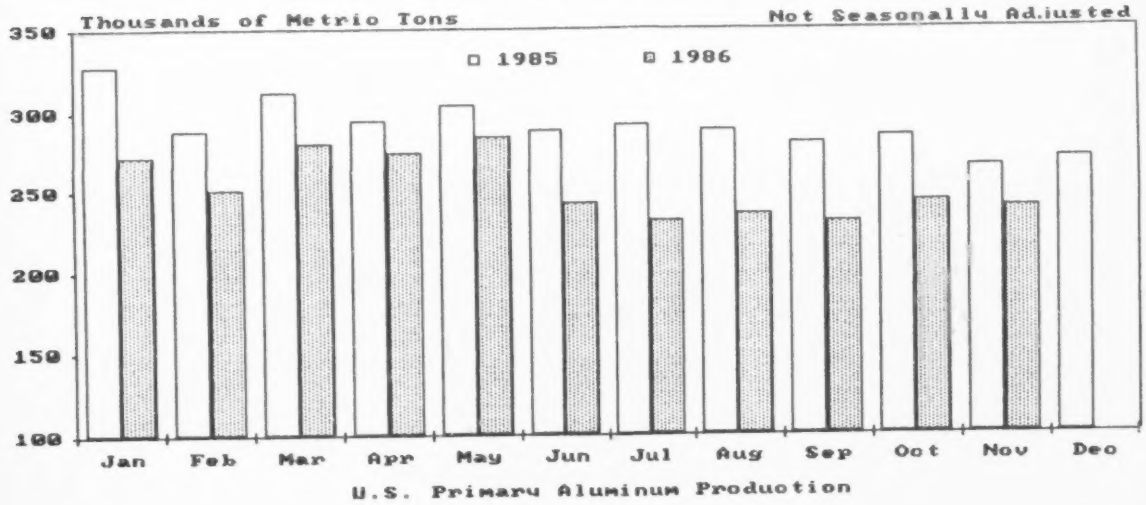
Millions of Pounds
Source: Latest month estimated by the Aluminum Association.
Previous data-Bureau of the Census.

Production Rate Down 9.8 Percent

U.S. primary aluminum production averaged 7,981 metric tons daily during November 1986, compared with and average 8,846 metric tons per day in November 1985.

The annual rate of production in November 1986 was 2,913,004 metric tons, compared to 2,866,698 metric tons in October 1986. The November 1985 annual rate was 3,228,753 metric tons. Actual production in November 1986 was 239,425 metric tons.

Primary Production



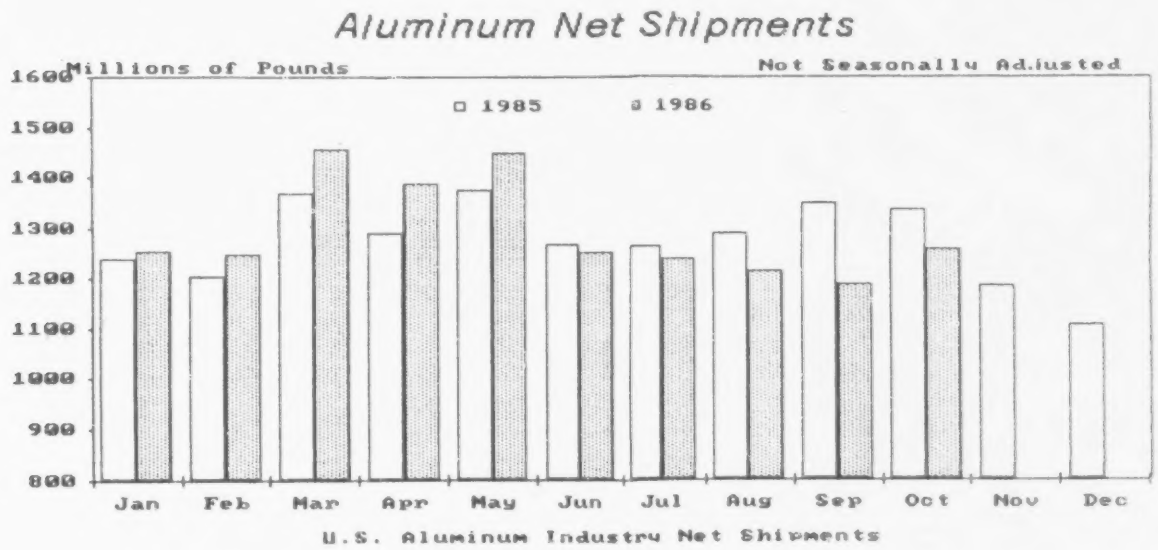
U.S. Primary Aluminum Production

Aluminum Association total industry estimates are based on information reported by members, which is aggregated by the Association and then expanded to total industry data utilizing an expansion ratio that attempts to reflect the relationship of reporters to the total industry. While the Association believes that its statistical procedures and methods are reliable, it does not warrant the accuracy or completeness of the data. All data contained herein are subject to revision.

The Aluminum Situation

Net Shipments Down 0.4 Percent

Estimated total industry net shipments of 12,944 million pounds for ten months of 1986 were down 0.4 percent from the 1985 ten month total of 12,991 million pounds. Exports were down 30.3 percent so domestic shipments showed a 2.3 percent increase over a year ago.



Net Shipments

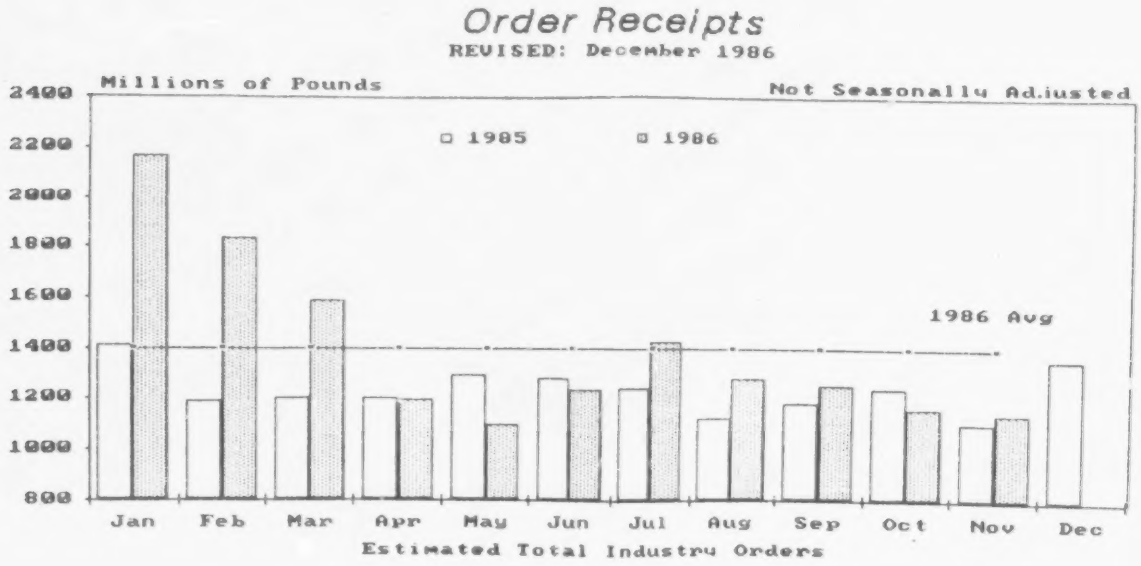
(Millions of Pounds)

	1986 Oct.	1985 Oct.	1986 10 Mos.	1985 10 Mos.	% Change YTD 1986 vs. 1985
Sheet	519.0	534.0	5,402.0	5,250.8	+ 2.9
Plate	22.0	22.4	210.5	217.3	- 3.1
Foil	79.0	76.6	729.0	687.2	+ 6.1
Rod, Bar & Wire	30.0	27.7	288.7	253.5	+13.9
Electrical Conductor	53.0	54.2	540.1	580.9	- 7.0
Extruded Shapes & Tube**	242.0	242.1	2,316.9	2,212.1	+ 4.7
Powder & Paste	9.0	9.0	84.3	91.9	- 8.3
Forgings & Impacts	13.0	14.1	121.4	127.0	- 4.4
Net Imports of Mill Products (Total)(a)	76.2	59.4	803.8	683.2	+17.7
Total Mill Products	1,043.2	1,039.5	10,496.7	10,103.9	+ 3.9
Ingot(b)	215.0	297.7	2,447.5	2,886.6	-15.2
TOTAL INDUSTRY SHIPMENTS	1,258.2	1,337.2	12,944.2	12,990.5	- 0.4
Exports	-83.6	-90.1	-744.5	-1,978.8	-30.3
TOTAL DOMESTIC SHIPMENTS	1,174.6	1,247.1	12,199.7	11,921.6	+ 2.3

*Latest month estimated by the Aluminum Association.
Previous data-Bureau of the Census and Department of Commerce.
(a) Not included in product data above.
(b) Sufficient data not available for reliable estimate. Implicit in this item is a 10 to 25% variation.
Commencing January 1985, Census reports have changed product categories as follows: Rod, Bar and Wire now includes Extruded Rod and Bar; the former Extruded Products now only consists of Shapes and Pipe and Tube; and Welded Tube has been dropped.

Net New Orders Up 14.1 Percent

Estimated net new order receipts for eleven months of 1986 at 15,375 million pounds were 14.1 percent above the first eleven months of 1985 total of 13,470 million pounds. November orders of 1,142 million pounds were 3.8 percent above November a year ago. Please note, 1985 orders have been revised.



Order Receipts

(Millions of Pounds)

	1986 Nov.	1985 Nov.	1986 11 mos.	1985 11 mos.	% Change YTD 1986 vs. 1985
Can Stock(a)	318.2	173.2	3,214.3	2,876.0	+11.8
Sheet & Plate, Other	282.5	338.2	3,578.4	3,743.1	- 4.4
Foil	60.4	50.1	804.7	668.8	+20.3
Rod, Bar & Wire	19.8	21.6	283.3	205.4	+37.9
Electrical Conductor	44.2	53.0	593.6	633.6	- 6.3
Extruded Products	220.5	187.0	2,607.9	2,280.7	+14.3
Powder & Paste	3.6	6.9	69.3	115.1	-39.8
Forgings & Impacts	15.2	8.0	111.3	105.0	+ 6.0
Domestic Mill Products	964.4	838.0	11,262.8	10,627.7	+ 6.0
Ingot (Total)	140.0	177.4	3,419.4	1,929.1	+77.3
TOTAL DOMESTIC	1,104.4	1,015.4	14,682.2	12,556.8	+16.9
Exports	37.6	85.3	692.8	912.8	-24.1
TOTAL ALL PRODUCTS	1,142.0	1,100.7	15,374.9	13,469.6	+14.1

Source: The Association estimates total industry orders (including orders for imports), based on weekly reports by members of new orders (less cancellations) received. The Association expands these data to total industry utilizing an expansion ratio that attempts to reflect the relationship of reporters to the total industry. Weekly data are available upon request.
(a) Domestic only. Orders for imports of can stock are included in Sheet and Plate, Other.
*Latest month.

October 1986 Inventories Decreased 37 Million Pounds

Producer inventories decreased an estimated 37 million pounds in October 1986 from a revised September level of 4,984 million pounds.

Month-End Aluminum Inventories
By Type of Producer
Figures in Millions of Pounds

Month	Total*	Integrated	Smelters	Non-Integrated
Dec 83	4,994	3,979	163	853
Dec 84	5,850	4,692	229	929
Month	**Total***	**Ingot**	**Scrap**	**All Other**
Jan 86	5,161	2,167	561	2,433
Feb 86	5,158	2,038	562	2,558
Mar 86	5,054	1,865	521	2,668
Apr 86	5,097	1,795	560	2,743
May 86	5,045	1,840	591	2,614
Jun 86	5,043	1,959	614	2,471
Jul 86	5,084	1,998	625	2,461
Aug 86	5,059r	2,058r	626r	2,375
Sep 86	4,984r	2,000r	645r	2,339r
Oct 86	4,947	1,915	617	2,415

*Latest month estimated by Aluminum Association. Previous data-Bureau of the Census. Inventories include ingot, mill products and scrap.
Early estimates are available approximately the 5th working day each month; however; there is a charge for this special service. Contact the Aluminum Association Department of Economics and Statistics for details.

Imports and Exports

(Millions of Pounds)

		1986 Oct.	1985 Oct.	1986 10 Mos.	1985 10 Mos.	% Change 1986 vs. 1985
Imports	Mill Products	93.2	81.7	918.0	861.4	+ 6.6
	Ingot	239.1	189.4	2,603.4	1,634.8	+ 59.2
	Total	332.3	271.1	3,521.4	2,496.2	+ 41.1
	Scrap (+ dross)	31.9	32.6	301.8	228.0	+ 32.4
	Grand Total	364.2	303.7	3,823.2	2,724.2	+ 40.3
Exports	Mill Products	41.2	41.4	372.5	370.6	+ 0.5
	Ingot	42.3	48.7	372.0	698.4	- 46.7
	Total	83.5	90.1	744.5	1,069.0	- 30.4
	Scrap	72.7	56.5	639.8	711.8	- 10.1
	Grand Total	156.2	146.6	1,384.3	1,780.8	- 22.3
Net Imports		208.0	157.1	2,438.9	943.4	+158.5

Source: Department of Commerce, Industry Trade Administration and Bureau of the Census. Excludes backed foil.